



CAPITAL REGION AIRPORT AUTHORITY

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President – CEO

June 3, 2015

Andy Schor, State Representative
124 North Capitol Avenue
P.O. Box 30014
Lansing, MI 48909-7514

Joseph Graves, Chair
Commerce and Trade Committee

Re: Testimony in Opposition to HB4637

Dear Representative Schor & Chairman Graves:

Sorry that I was unable to contact you on this matter earlier. I just received a copy of the proposed bill this morning. I will submit formal written comments covering the following points in case I am out of town at the time of the next meeting:

- The Capital Region Airport Authority respectfully submits this testimony in opposition to SECTION 39 of HB4637, which if approved would preempt "local units of government" from having any control or fee revenue from the operation of Transportation Network Companies. (*Note: By state statute, the Capital Region Airport Authority is a local unit of government*)
- Our specific request is that this section be amended to exclude airports from these provisions. Reason being:
- Federal Regulations strictly govern the operation of airports nationally. Under contract with the FAA, among the provisions required, airports are required to not discriminate in its agreements by way of the terms; standards of operation of the commercial businesses; or the type and quantity of user fees paid. Airports are also federally required to establish and maintain a schedule of rates and charges designed to assure the financial stability of the airport. Meaning, that permitting one type of ground transportation operator to function (*through the provisions of HB4637*) without an operating agreement, and without paying airport user fees, while all the other ground transportation operators are required to pay, would be a violation of Federal Regulation.
- All commercial businesses at the Capital Region International Airport pay user fees for the privilege of accessing airport (Authority funded) facilities to operate their business. The revenues generated are used to offset the local operating costs of the Airport.
- All ground transportation companies at the Airport are required to have an operating permit/agreement with the Airport Authority that requires them to meet all Airport

Rules and Regulations/customer service standards, and to pay the established user fees.

- Accordingly, it appears that Section 39, as it would be applied to Michigan airports, is in direct conflict with Federal Regulations and the Airport Authority's Rules and Regulations. Further, Section 39 in effect diverts critical Airport revenues, necessary to financially support Michigan's airports, to MDOT (*Note: diversion of airport revenues is also a violation of Federal Regulations*). Specifically, it appears that Section 39 would prohibit airports from assessing any charges on TNC operators for the use of airport facilities.
- Finally, it is important to note that the current Airport license fee being paid by current Airport operators at Lansing is \$525 per month, \$6300 per year, for each ground transportation company. Each transportation operator at the Airport must also be licensed (*and pay the appropriate fees*) in each of the off-airport jurisdictions they will be operating in, as well. By comparison, Section 7 of HB4637 appears to provide a **statewide license to TNC operators for a fee of \$5,000 per year.** This appears to be a significant difference in annual fees paid for the privilege of providing ground transportation in our jurisdictions and discriminates against the Airports non-TNC ground transportation providers.

The Airport Authority, in conjunction with the Greater Lansing Taxi Authority, has also been working with UBER on the subject of operating standards and payment of fees. HB4637, as written, does not appear to be the appropriate ground transportation solution to integrating the TNC operators into our airport business operations.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. Selig", with a long horizontal flourish extending to the right.

Robert F. Selig, AAE
President – CEO